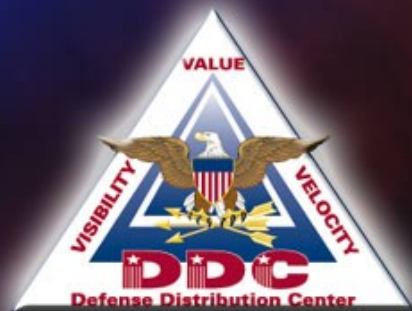


Defense Distribution Center

Business Plan for

*A Key Link in the
Supply Chain*



Command er's e Message

The Defense Distribution Center is committed to providing timely, quality support to America's Warfighters, during peace and war. We are dedicated professionals who provide a key link in the defense supply chain.

This business plan for Fiscal Year 2005-2006 outlines our goals and objectives for continuing to make DDC a world-class organization. It focuses on key areas of our operation including the improvement of internal processes to help us achieve our mission, the implementation of customer-focused programs designed to deliver best quality services to the Warfighter, a renewed commitment to enable and empower our workforce, and a commitment to making effective financial decisions that make the most of taxpayer dollars.

As the entire defense supply chain continues to become more streamlined and agile, we will tailor our business practices to be flexible in meeting the needs of this new era. America's Warfighters are counting on us, and our success is critical!

Customer

Our goal is to provide responsive, integrated best value supplies and services consistently to our customers.

Objectives:

Provide logistics solutions that maximize readiness and combat power

- Maximize our distribution capabilities
- Strategically position inventory to best support our customers worldwide
- Provide tailored distribution services

Support Combatant Commands

- Ensure our readiness to support contingency operations
- Develop supporting distribution plans for theater operations
- Engage in emerging Joint Theater Logistics planning

Implement a program to improve our relationship with

Internal Processes

Our goal is to establish the internal processes required to deliver value-added logistics solutions to the Warfighters.

Objectives:

Strive for continuous process improvement

- Improve our inventory accuracy
- Implement efficient and effective processes to improve quality and processing times

Become a performance-based distribution center of excellence

- Develop flexible and agile distribution and acquisition processes
- Leverage industry and technology to improve operations



Best value Information
maximize our information
emerging technology



Technology enablement



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Learning & Growth

Our goal is to ensure our workforce is enabled and empowered to deliver and sustain logistics excellence.

Objectives:

Maintain a trained and ready organization

- Recruit and retain a skilled workforce
- Identify skills required to remain competitive
- Train leaders and our workforce to meet future needs

Create and maintain a climate and culture that promotes trust, workplace excellence and diversity

- Implement action plans to improve our organizational culture and climate
- Enhance employee recognition
- Live and work by our values

Maintain a safe, secure and healthy work environment

- Promote and instill safe working conditions and practices



Finance

Our goal is to manage DDC resources for best customer value.

Objectives:

Be good stewards of taxpayers' money

- Allocate our resources to support the mission effectively
- Control our costs
- Improve our productivity

Use our resources wisely

- Increase awareness of how our actions impact costs
- Account for our costs and resources effectively



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Mission

To provide the full range of distribution services and information, enabling a seamless, tailored, worldwide DoD network that delivers effective, efficient and innovative support to combatant commands, military services and other customers during peace and war. Timely and quality distribution support to the Warfighter.

Vision

Values



PEOPLE: Everyone has a contribution to make. We are committed to treating everyone with dignity and respect, employee growth and training, and to providing a safe working environment.

SERVICE: We are committed to excellent service. We strive to be an integral part of the warfighting team - a world-class logistics provider.

EXCELLENCE: We are professionals who do things right the first time, and we strive for continuous improvement.

INNOVATION: We constantly seek improvements that add value to our customers. We are a learning organization, committed to continuously improving our processes.

TRUST: Honesty and fairness are the foundation of our success. We take ownership of our actions and resources.



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Right Item, Right Time, Right Place, Right Price...Every Time!



**America's
warfighters count on
the supply chain -
and they count on
the Defense
Distribution Center's
26 Distribution
Centers and 9 Map
Support Offices.**

**In Fiscal Year 2004, Support Office 2509
processed 2509 million lines. In support of the Global
War on Terrorism, we have processed
more than 10 million MROs - that's
more than one million short tons of
materiel.**

**We won't be slowing down in the future
and neither will America's Warfighters.
They're committed to completing their
mission, and so are we.**



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